

I won't be able to attend the hearing on Wednesday but I thought I'd submit this recent article from Kiplinger's. As sad as our ranking is in this particular article, it isn't the only one. Other publications such as Forbes frequently rank each state on this and other financial quality-of-life categories and Connecticut is always ranked on the undesirable side.

Also, you are quite correct when observing that Connecticut is not a representative form of government when all Republican proposals are excluded from debates on budgets, etc. It appears there are an elite few who run this State.

**Regards,
Dr. Michael A. Simeone**

Worst States to Live In for Taxes

Kiplinger

By Sandra Block, Senior Associate Editor, Kiplinger's Personal Finance September 8, 2015 10:40 AM

Considering a move to another state? Not so fast. Be sure to weigh state taxes when calculating the difference in the cost of living.

States with high income taxes or property taxes could cost you thousands of dollars every year you live there. Other states with high sales taxes or gas taxes could slowly drain your wallet every time you buy something.

Here is our updated list of the 10 least-tax-friendly states in the U.S. Almost all of the states levy property taxes well above the national median of \$1,809. In most cases, state income taxes are high, as are combined state and local sales taxes, which could cost you as much as 10% per purchase. Gas taxes are also above the national average of 30 cents per gallon. And some of these states are facing crippling deficits that could lead to future tax hikes.

Take a look.

1. California

State income tax: 1% (on income up to \$7,749/individual, \$15,498/joint) - 13.3% (on income above \$1,000,000/individual, \$1,039,374/joint)

State sales tax: 7.5%

Gas taxes and fees: 42 cents per gallon

If you're moving to the Golden State, plan to take short showers (to conserve water) and to pay the highest state income tax rates in the U.S. Worse, capital gains are taxed as regular income.

California also has the highest statewide sales tax, at 7.5% (it's scheduled to drop to 7.3% at the end of 2016). The average state and local combined rate is 8.4%; in some cities, the combined rate is as high as 10%. (Food and prescription drugs are exempt.)

California's gas taxes and fees are down from \$0.53 per gallon a year ago, but they're still the fourth-highest in the country. And there's a good chance state legislators will boost the gas tax to pay for a \$59 billion backlog in repairs to state roads and bridges. California also hits car owners with an annual vehicle license fee (VLF) of 0.7% of the purchase price of the vehicle (or the value when it was acquired) that's reduced each year for the first 11 years of car ownership. For example, the VLF on a two-year-old vehicle purchased for \$25,000 would be \$147.

Good news: Californians pay lower property taxes than residents of other high-tax states, but in a state with some of the highest real estate prices in the U.S., they're no bargain. The median property tax on the state's median home value of \$373,100 is \$3,015.

2. Connecticut

State income tax: 3% (on income up to \$10,000/individual, \$20,000/joint) - 7.0% (on income above \$500,000/individual, \$1,000,000/joint)

State sales tax: 6.4% for most items; 7.8% for certain luxury items.

Gas taxes and fees: 41 cents per gallon

The Constitution State ranks so high because of its one-two punch of property taxes (fourth-highest in the nation) and gas taxes (fifth-highest).

The sales tax on vehicles valued at \$50,000 or less is 6.4%; those over that amount are taxed at the 7.8% luxury rate. In addition, vehicles are subject to an annual levy set by individual municipalities. In Hartford, for example, the annual property levy for a vehicle valued at \$20,000 is almost \$1,500. However, legislation that will take effect next year will cap the rate municipalities can charge. In Hartford, the cap will lower motor vehicle taxes by more than 56%.

The median property tax on the state's median home value of \$267,000 is \$5,280.

There are no local sales taxes in Connecticut, so you'll pay only the statewide rate of 6.4% on your purchases. As of July 1, clothing and shoes under \$50 are no longer exempt from the state sales tax. Luxury items, such as jewelry worth more than \$5,000, are taxed at 7.8%, which means a \$6,000 engagement ring would cost you \$6,465. And if those baubles are a gift, keep in mind that Connecticut is also one of only two states with a gift tax (the other is Minnesota), which applies to real and tangible personal property in Connecticut and intangible personal property anywhere for permanent residents.

3. New Jersey

State income tax: 1.4% (on income up to \$20,000) - 9.0% (income more than \$500,000)

State sales tax: 7%

Gas taxes and fees: 15 cents per gallon

If you plan to buy a home in the Garden State, make sure to leave a lot of room in your budget for property taxes. New Jersey's property taxes are the highest in the U.S., according to the Tax Foundation. The median property tax on the state's median home value of \$307,700 is \$7,331.

Food, prescription and nonprescription drugs, clothing and footwear are exempt from the 7% state sales tax. Because some designated Urban Enterprise Zones, such as Newark, charge a reduced 3.5% sales tax on certain sales, New Jersey's average state-local combined sales tax rate is only 6.97%.

There is relief for commuters: Gas taxes are the second-lowest in the U.S. (Alaska's are the lowest) and a bargain compared with neighboring states Connecticut and New York.

4. Hawaii

State income tax: 1.4% (on income up to \$2400/individual, \$4800/joint) - 11% (income more than \$300,000/individual, \$400,000/joint)

State sales tax: 4%

Gas taxes and fees: 45 cents per gallon (varies by county)

The sunshine is free, but just about everything else in the Aloha State is taxable.

Hawaii has the second-highest income tax rate in the U.S. (California, which also has a lot of heavenly views, has the highest).

Hawaii's average combined local sales tax rate is 4.4%, among the lowest in the U.S. However, virtually all transactions (prescription drugs are an exception) are taxed. Vehicles are subject to the 4% sales tax (technically an excise tax levied on businesses), even if they're purchased on the mainland. Residents also pay annual state and county taxes based on their vehicle's weight.

While property values are high, property taxes as a percentage of home value are the lowest in the U.S. The median property tax on the state's median home value of \$500,000 is \$1,389, according to the Tax Foundation.

5. New York

State income tax: 4% (on income up to \$8,200/individual, \$16,450/joint) - 8.8% (income more than \$1,046,350/individual, \$2,092,800/joint)

State sales tax: 4%

Gas taxes and fees: 46 cents (varies by county)

Local jurisdictions impose additional sales taxes ranging from 3% to 4.8%. That boosts the average combined state-local sales tax rate to 8.5%, the seventh-highest in the country. Food and prescription and nonprescription drugs are exempt from taxes, as are greens fees, health club memberships, and most arts and entertainment tickets in the Empire State.

The median property tax on the state's median home value of \$277,600 is \$4,559, the 11th-highest in the U.S., according to the Tax Foundation.

The tax on cigarettes is \$4.35 per pack, the highest in the U.S. New York City tacks on an additional \$1.50 per pack.

6. Rhode Island

State income tax: 3.8% (on income up to \$60,550) - 6.0% (income more than \$137,650)

State sales tax: 7%

Gas taxes and fees: 34 cents per gallon

The Ocean State's 7% state sales tax rate is the second-highest in the U.S., but the state has no local sales taxes to add to it. Groceries, most clothing and footwear, and prescription drugs are exempt. Over-the-counter drugs, such as aspirin, are taxed unless you have a prescription. The tax also applies to the portion of any individual sale of clothing and footwear that exceeds \$250. Sales tax on vehicles is 7%.

Property tax rates are the 10th-highest in the U.S. The median property tax on the state's median home value of \$232,300 is \$3,872.

7. Vermont

State income tax: 3.55% (on income up to \$37,450/individual, \$62,600/joint) - 8.95% (income more than \$411,500)

State sales tax: 6%

Gas taxes and fees: 31 cents per gallon

The Green Mountain State vaults from ninth to seventh place in our annual ranking, based on updated property tax numbers and a new measure that raises taxes on the state's wealthiest residents.

In an effort to close the state's \$100 million budget gap, Vermont now limits deductions to \$15,000 for single residents and \$31,500 for married couples. If your income is \$1 million, that would cost you about \$5,000 in additional state taxes about \$5,000.

The average state and local combined sales tax rate is 6.1%. Food, clothing, and prescription and nonprescription drugs are exempt from sales tax. Starting July 1, though, soft drinks will not be exempt from sales tax. Restaurant meals are taxed at 9%; the tax on alcoholic beverages served in restaurants is 10%.

The median property tax on the state's median home value of \$218,300 is \$3,727, the ninth-highest in the U.S.

8. Maine

State income tax: 6.5% (on income up to \$5,200/individual, \$10,450/joint) - 7.95% (income more than \$20,900/individual, \$41,850/joint)

State sales tax: 5.5%

Gas taxes and fees: 30 cents per gallon

The Pine Tree State dropped its top state income tax rate from 8.5% to 8.0% in 2013, but that's still steep compared with other states.

Maine is one of only a few states that prohibit local jurisdictions from imposing their own sales tax, so you won't pay more than 5.5%, no matter where you live or shop. Food for home consumption and prescription drugs are exempt from sales taxes, but prepared foods in restaurants are taxed at 8%.

Maine imposes an annual excise tax on vehicles that's based on the car's age and value. The owner of a three-year-old car with a manufacturer's suggested retail price of \$19,500 would pay \$263.25.

The median property tax on Maine's median home value of \$172,800 is \$2,206, the 17th-highest in the U.S., according to the Tax Foundation.

9. Minnesota

State income tax: 5.35% (on income up to \$25,071/individual, \$36,650/joint) - 9.9% (income more than \$154,950/individual, \$258,261/joint)

State sales tax: 6.9%

Gas taxes and fees: 29 cents per gallon

The North Star State's top income tax rate of 9.9% nicks high earners, but what makes Minnesota really stand out is its relatively high income tax rate of 5.35% for people with modest income.

Food, clothing, and prescription and nonprescription drugs are exempt from the state sales tax. A few cities and counties add their own local sales tax. The average combined local and state sales tax rate is 7.2%. The sales tax for vehicles is 6.5%, slightly lower than the overall state sales tax, and vehicles are not subject to local sales taxes.

The median property tax on Minnesota's median home value of \$180,100 is \$2,148, the 19th-highest in the U.S., according to the Tax Foundation.

Minnesota offers some property-tax relief for qualified homeowners. Homeowners whose property taxes are high relative to their incomes are eligible for a property tax refund.

10. Illinois

State income tax: 3.8%

State sales tax: 6.3%

Gas taxes and fees: 36 cents per gallon

The Prairie State's income tax dropped to a flat rate of 3.8% from 5% on Jan. 1. The bad news is that taxes on just about everything else in Illinois are high and could go higher as lawmakers grapple with the largest state budget deficit in the U.S. Illinois has the country's worst-funded state pension program, with a \$100 billion shortfall. (Heck, [lottery winners of more than \\$25,000 in the state must accept IOUs for their prizes these days](#).)

Property taxes here are the second-highest in the U.S. The median property tax on the state's median home value of \$169,600 is \$3,939.

The combined average state and local sales tax is 8.2%, the 10th-highest rate in the U.S. In some municipalities, combined state and local sales taxes are as high as 10%. Qualifying food and prescription and nonprescription drugs are taxed at 1%.